

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

SEP 9 3 23 PM '98

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Mailing Online Service, 1998)

Docket No. MC98-1

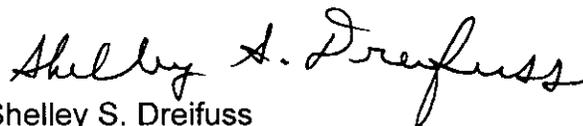
OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS: PAUL G. SECKAR
(OCA/USPS-T2-11-16)
September 9, 1998

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-T1-1-7 to witness Lee Garvey, dated July 21, 1998, are hereby incorporated by reference.

Respectfully submitted,



Gail Willette
Acting Director
Office of the Consumer Advocate



Shelley S. Dreifuss
Attorney

OCA/USPS-T2-11. Please refer to USPS-T-2, Exhibit A, Table 14.

- a. Please explain the phrase "System Developer" on line (29).
- b. Please provide a detailed breakdown of the system developer costs of \$1,138,310, found on line (29).
- c. In what year(s) are the system developer costs incurred?

OCA/USPS-T2-12. Please refer to USPS-T-2, Exhibit A, Table 14, and USPS-LR-1/MC98-1, Attachment 2 at 18.

- a. For 1999, please confirm that the total information systems fixed costs are \$1,145,387. If you do not confirm, please explain.
- b. Please confirm that the system developer cost is \$1,138,310. If you do not confirm, please explain.
- c. Please confirm that the information systems fixed costs, including system developer costs, are \$2,283,697. If you do not confirm, please explain.
- d. Please confirm that the information systems fixed costs, including system developer costs, to be recovered in 1999 are \$831,867. If you do not confirm, please explain.
- e. Please confirm that the information systems fixed costs, including system developer costs, to be recovered in 2000 are \$1,451,830. If you do not confirm, please explain.

OCA/USPS-T2-13. Please refer to USPS-T-2, Exhibit A, Tables 14 and 15, and USPS-LR-1/MC98-1, Attachment 2 at 18.

- a. For 1999, please confirm that the total information systems variable costs are \$1,558,624. *If you do not confirm, please explain.*
- b. For 2000, please confirm that the total information systems variable costs are \$2,032,515. *If you do not confirm, please explain.*
- c. Please confirm that the total of information system fixed costs, including system developer costs, and information system variable costs, to be recovered in 1999, is \$2,390,491 ($\$831,867 + \$1,558,624$). *If you do not confirm, please explain.*
- d. Please confirm that the total of information system fixed costs, including system developer costs, and information system variable costs, to be recovered in 2000, is \$3,484,345 ($\$1,451,830 + \$2,032,515$). *If you do not confirm, please explain.*

OCA/USPS-T2-14. Please refer to USPS-T-2, Exhibit A, Tables 14 and 15.

- a. For 1999, please confirm that the average information system fixed cost (including system developer costs), per transaction, is \$11.60 ($\$831,867 / 71,722$). *If you do not confirm, please explain and provide the correct figure.*
- b. For 1999, please confirm that the average information system variable cost, per transaction, is \$21.73 ($\$1,558,624 / 71,722$). *If you do not confirm, please explain and provide the correct figure.*
- c. For 1999, please confirm that the total average information system cost (fixed and variable), per transaction, is \$33.33 ($\$2,390,491 / 71,722$). *If you do not confirm, please explain and provide the correct figure.*
- d. For 1999, please confirm that if the average number of pieces per transaction is less than the 4,120 assumed by witness Stirewalt, then the total average

information system cost per piece would be higher than the \$0.0012 cents per impression calculated in USPS-T-2, Exhibit A, Table 1. If you do not confirm, please explain.

OCA/USPS-T2-15. Please refer to USPS-LR-1/MC98-1, Attachment 1, page 6. Please confirm that the "YR 2000 Estimate" for the total annual number of Mailing Online transactions is 125,268 (10,439 users x 12 average customer sessions per user per year). If you do not confirm, please explain and provide the correct figure.

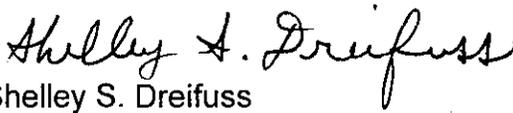
OCA/USPS-T2-16. Please refer to USPS-T-2, Exhibit A, Tables 14 and 15.

- a. For 2000, please confirm that the average information system fixed cost (including system developer costs), per transaction, is \$11.59 ($\$1,451,830 / 125,268$). If you do not confirm, please explain and provide the correct figure.
- b. For 2000, please confirm that the average information system variable cost, per transaction, is \$16.23 ($\$2,032,515 / 125,268$). If you do not confirm, please explain and provide the correct figure.
- c. For 2000, please confirm that the total average information system cost (fixed and variable), per transaction, is \$27.82 ($\$3,484,345 / 125,268$). If you do not confirm, please explain and provide the correct figure.
- d. For 2000, please confirm that if the average number of pieces per transaction is less than the 4,119 assumed by witness Stirewalt, then the total average information system cost per piece would be higher than the \$0.001 cents per

impression calculated in USPS-T-2, Exhibit A, Table 1. If you do not confirm, please explain.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Shelley S. Dreifuss
Attorney

Washington, D.C. 20268-0001
September 9, 1998